

**501 Ocean Bluff Way
Affordable Housing Plan
Case No. MULTI-006443-2023; SUB-006459-2023; USE-006446-2023; SRVRQST-006448-
2023; CDP-006445-2023; DR-006444-2023; and CPP-006447-2023**

OVERVIEW

Under Encinitas Municipal Code (“EMC”) Section 30.41.020, an Affordable Housing Plan (“AHP”) is defined as a “plan containing all of the information specified in and submitted in conformance with Section 30.41.090(A) ... specifying the manner in which affordable units will be provided in conformance with this chapter and any adopted affordable housing guidelines.”

Section 30.41.090(A) requires the following of AHPs:

1. An application for the first approval of a residential development shall include an affordable housing plan describing how the development will comply with the provisions of this chapter. As an alternative to compliance with the basic provisions included in Section 30.41.050, an applicant may propose one of the alternatives listed in Section 30.41.075 as part of the affordable housing plan.
2. No application for a first approval for a residential development may be deemed complete unless an affordable housing plan is submitted in conformance with this chapter. The cost of reviewing any affordability gap analysis or other proposed alternative, including, but not limited to, the cost to the City of hiring a consultant to review the application, shall be borne by the applicant.
3. The affordable housing plan shall be processed concurrently with all other permits required for the residential development. Before approving the affordable housing plan, the approval body shall find that the affordable housing plan conforms to this chapter. A condition shall be attached to the first approval of any residential development to require recordation of the affordable housing agreement described in subsection B of this section prior to the approval of any final or parcel map or building permit for the residential development.

This draft AHP, in combination with the project’s Density Bonus Report, describes how the 501 Ocean Bluff Way project (the “Project”) will comply with the City’s affordable housing requirements per EMC Chapter 30.41.

PROJECT DESCRIPTION / CHARACTERISTICS

The Project proposes a Density Bonus Tentative Map, Design Review Permit, and Coastal Development Permit to allow for the development of 27 new single-family residences on separate lots including 24 market-rate units and three very low income (50% AMI) affordable units, as well as a private road, and associated utility, drainage, and stormwater improvements.

The site is approximately 7.188 gross acres. The site currently consists of four separate parcels. Three parcels, corresponding to assessor parcel numbers 258-141-23, 258-141-24, and 258-141-

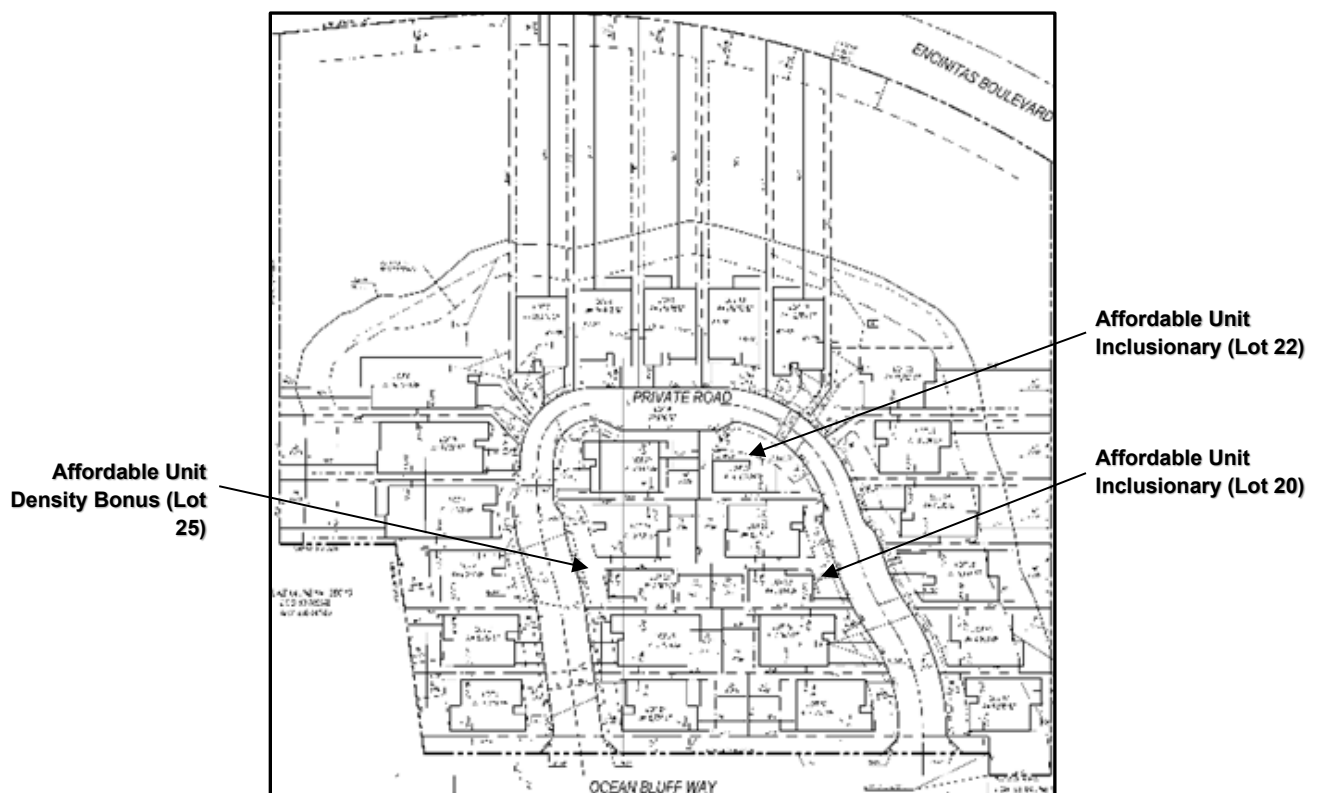
25, are zoned Residential 3 (R-3). The remaining parcel, corresponding to assessor parcel number 258-141-26, is zoned Rural Residential 2 (RR-2). Approximately 3.444 gross acres are zoned R-3, and 3.744 gross acres are zoned RR-2.

The Project site features a pronounced natural slope. The slope-adjusted net acreage zoned R-3 is 2.5795 acres, and the slope-adjusted net acreage zoned RR-2 is 3.0925 acres, for a combined total net acreage of 5.67 acres as shown on the tentative map prepared by Pasco Laret Suiter & Associates.

The Project site is currently vacant and has never included residential structures. The site is bounded to the north by Encinitas Boulevard, to the west by vacant land and a single-family residence, to the south by single-family residences, and to the east by a self-storage facility. The Project would be accessed by a new private road constructed in a loop beginning and ending on Ocean Bluff Way.

The Project will include 27 single-family residences. Two of the units will be designated for very low income (50% AMI) households (lots 20, 22), as defined in Health & Safety Code Section 50105, to satisfy the Project's inclusionary housing obligations pursuant to EMC Chapter 30.41. The inclusionary affordable units shall be subject to a deed restriction requiring affordability in perpetuity, as required by EMC Section 30.41.100(B). One additional unit will be designated for a very low income household for a period of 55 years (lot 25). Accordingly, the Project qualifies for a 50% density bonus pursuant to Government Code section 65915 and EMC Section 30.16.020(C).

SITE PLAN



AFFORDABLE HOUSING PLAN

EMC Chapter 30.41 applies to the Project site. The following information explains how the Project would meet the City's affordable housing requirements utilizing the basic options listed in EMC Section 30.41.050.

The Project's inclusionary obligations are calculated based on its net acreage. The R-3 portion of the site has a slope-adjusted net acreage of 2.5795 acres and qualifies for a base density of three dwelling units per acre. The RR-2 portion of the site has a slope-adjusted net acreage of 3.0925 acres and qualifies for a base density of two dwelling units per acre. The Project has a base density for the purpose of inclusionary affordable housing calculations of 13 dwelling units, calculated as follows:

$$\begin{aligned} &2.5795 \text{ net acres} * 3.0 \text{ du/ac} + 3.0925 \text{ net acres} * 2.0 \text{ du/ac} = \\ &13.924 \text{ dwelling units, rounded down to 13 dwelling units (per} \\ &\text{EMC Section 30.16.010(B)(1))} \end{aligned}$$

Pursuant to EMC Section 30.41.050(A)(1), ownership residential development applicants must provide either:

- (a) Twenty percent (20%) of the dwelling units in the residential development made available at affordable sales price to low-income households; or
- (b) Fifteen percent (15%) of the dwelling units in the residential development made available at affordable sales price to very low income households.

To satisfy this requirement, the Project proposes reserving two single-family residences (13 base dwelling units * 15% = 1.95 dwelling units, rounded up to 2 affordable dwelling units per EMC section 30.41.050(C), or 15.38% of base units for inclusionary calculation purposes) for sale to very low income households. The two inclusionary dwelling units shall remain affordable in perpetuity.

The Project proposes to reserve one additional unit for a very low income household, for a total of three very low income units, to achieve a 50% density bonus pursuant to Government Code Section 65915(f)(2). The additional density bonus affordable unit will remain affordable for a period of 55 years. The density bonus would be applied to the Project's base density specified by the Density Bonus Law, which requires the use of gross acreage for density calculations. (See, e.g., Gov. Code § 65915(f).) The R-3 portion of the Project site features 3.444 gross acres and qualifies for a base density of three dwelling units per acre. The RR-2 portion of the Project site features 3.744 acres and qualifies for a Density Bonus Law base density of two dwelling units per acre. In total, the Project site qualifies for a base density of 3.444 gross acres * 3.0 du/ac + 3.744 gross acres * 2.0 du/ac = 17.8 base dwelling units, rounded up to 18 dwelling units pursuant to Government Code Section 65915(f)(5). In light of the Project's 50% density bonus, it would earn nine additional bonus units, for a total of 27 dwelling units.

IMPLEMENTATION

Compliance with EMC Section 30.41.060(A) and (B): The three affordable very low income, 50% AMI units would be mixed into the 24 market-rate units, with bedroom counts equivalent to market rate units in the Project. The three affordable units are 1,857 square feet with 5 bedrooms. The units would be comparable in exterior appearance and overall quality of construction to the market-rate units. To the extent that any interior finishes or amenities differ from market-rate units, neither the workmanship nor products will be of substandard or inferior quality as determined by the City. There are no common amenity spaces or services are proposed.

Compliance with EMC Section 30.41.070: All affordable units will receive building permits before building permits are issued for more than 50% of market-rate units. The required affordable units will be made available for occupancy concurrently with the market-rate units.

Affordable Housing Agreement: Consistent with EMC Section 30.41.090(B), to ensure the continued affordability of the inclusionary affordable units, the applicant will enter into an affordable housing agreement with the City, in a form approved by the City Attorney, to be executed by the City Manager. The affordable housing agreement would ensure that all the requirements of EMC Section 30.41 are satisfied. The affordable housing agreement would specify the number, type, location, and size of the affordable units, include provisions for income certification and screening of potential purchasers or renters of units, and resale control mechanisms, including the financing of ongoing administrative and monitoring costs, consistent with the approved affordable housing plan and any adopted affordable housing guidelines, as determined by the City Manager or designee. The affordable housing agreement shall be recorded against the Project prior to approval of a final map or issuance of the first building permit for the Project. Further, the affordable housing agreement would include the following requirements per Section 30.41.100 for the two inclusionary affordable units:

- B. All affordable units shall remain affordable to the targeted income group in perpetuity.
- C. Any eligible household that occupies an affordable unit must occupy that unit as its principal residence, unless otherwise approved in writing for rental to a third party eligible household for a limited period of time due to household hardship, as may be specified in any adopted affordable housing guidelines.
- D. No household may begin occupancy of an affordable unit until the household has been determined to be eligible to occupy that unit by the Development Services Director or designee. Any adopted affordable housing guidelines may establish standards for determining household income, affordable housing cost, provisions for continued monitoring of tenant eligibility, and other eligibility criteria.

DENSITY BONUS

Pursuant to EMC 30.41.060.B1, this written request is providing an on-site affordable development incentive to utilize California's State Density Bonus Law, which the project qualifies and is eligible for. The Project qualifies for incentives and waivers under California

Density Bonus Law. The Project's requested waivers are set forth in the accompanying Density Bonus Report.